Notes to Consolidated Financial Statements

THE 77 BANK, LTD. AND SUBSIDIARIES
Years Ended March 31, 2009 and 2008

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and the Enforcement Regulation for the Banking Law of Japan (the "Banking Law"), and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2008 consolidated financial statements to conform to the classifications used in 2009.

In conformity with the Companies Act of Japan (the "Companies Act") and the other relevant regulations, all Japanese yen figures in the consolidated financial statements have been rounded down to the nearest million yen, except for per share data. Accordingly, the total of each account may not be equal to the combined total of individual items.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which The 77 Bank, Ltd. (the "Bank") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥98.23 to U.S.$1, the approximate rate of exchange at March 31, 2009. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

***a. Consolidation*—**The consolidated financial statements include the accounts of the Bank and its subsidiaries (together, the "Companies"). There were seven consolidated subsidiaries as of March 31, 2009 and 2008.

Under the control or influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are fully consolidated.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profits and losses resulting from transactions within the Companies are eliminated.

***b. Cash and Cash Equivalents*—**For the purpose of the consolidated statements of cash flows, cash and cash equivalents represent cash and amounts due from the Bank of Japan.

***c. Trading Account Securities, Investment Securities and Money Held in Trust*—**Securities other than investments in affiliates are classified into three categories, based principally on the Companies' intent, as follows: (1) trading account securities, which are held for the purpose of earning capital gains in the near term are reported at fair value, and the related unrealized gains and losses are included in earnings, (2) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, and (3) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

The cost of trading account securities and available-for-sale securities sold is determined based on the moving-average method.

Non-marketable available-for-sale securities are reported at cost or amortized cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

Securities included in money held in trust are also classified and accounted for by the same method as above.

The components of trust assets are accounted for based on the standard appropriate for each asset type. Instruments held in trust for trading purposes are recorded at fair value and unrealized gains and losses are recorded in other income/expenses. Instruments held in trust classified as available-for-sale are recorded at fair value with the corresponding unrealized gains/losses recorded directly in a separate component of equity. Instruments held in trust classified as held to maturity are carried at amortized cost.

***d. Tangible Fixed Assets*—**Tangible fixed assets are stated at cost less accumulated depreciation and gains deferred on the sale and replacement of certain assets. Depreciation of tangible fixed assets, except for lease assets, is mainly computed by the declining-balance method at rates based on the estimated useful lives of the assets. The range of useful lives is principally from 5 to 31 years for buildings and from 4 to 20 years for equipment. Effective the year ended March 31, 2009, lease assets under finance lease transactions, in which substantial ownership is not deemed to transfer, are depreciated by the straight-line method over the lease term. The salvage value is zero or the guaranteed amounts if specified in the lease contracts. (See Note 2.l)

***e. Intangible Fixed Assets*—**The amortization of intangible fixed assets is calculated by the straight-line method. Capitalized cost of computer software developed/obtained for internal use is amortized by the straight-line method over the estimated useful lives of five years. The amortization of lease assets included in intangible fixed assets is mainly computed by the straight line method over the lease period.

***f. Long-lived Assets*—**The Companies review their long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

***g. Foreign Currency Items*—**Assets and liabilities denominated in foreign currencies held by the Bank at the year end are translated into Japanese yen at the current exchange rates in effect at each balance sheet date. Exchange gains and losses are recognized in the fiscal periods in which they occur.

***h. Reserve for Possible Loan Losses*—**The Bank determines the amount of the reserve for possible loan losses by means of management's judgment and assessment of future losses based on a self-assessment system. This system reflects past experience of credit losses, possible credit losses, business and economic conditions, the character, quality and performance of the portfolio, and other pertinent indicators.

The Bank implemented the self-assessment system for its asset quality. The quality of all loans is assessed by branches and the credit supervisory division with a subsequent audit by the Bank's asset review and inspection division in accordance with the Bank's policy and rules for self-assessment of asset quality.

The Bank has established a credit rating system under which its customers are classified into five categories. The credit rating system is used for self-assessment of asset quality. All loans are classified into five categories for self-assessment purposes such as "normal," "caution," "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy."

The reserve for possible loan losses is calculated based on the specific actual past loss ratio for normal and caution categories, and the fair value of the collateral for collateral-dependent loans and other factors of solvency including value of future cash flows for other self-assessment categories.

The subsidiaries determine the reserve for possible loan losses by a similar self-assessment system to that of the Bank.

i. Reserve for Reimbursement of Deposits—Reserve for reimbursement of deposits which were derecognized as liabilities is provided for the future estimated payments for the reimbursement claims on the sleeping deposit accounts based on the historical reimbursement experience.

j. Reserve for Contingent Losses—Reserve for contingent losses is provided for the future estimated payments of burden money to the Credit Guarantee Corporations based on the historical experience of subrogation.

k. Retirement and Pension Plans—The Bank and certain subsidiaries have contributory funded pension plans and unfunded retirement benefit plans for employees which cover approximately 75% and 25%, respectively, of their benefits. Other subsidiaries have unfunded retirement benefit plans.

The liability for employees' retirement benefits is provided for the payment of employees' retirement benefits based on estimated amounts of the actuarial retirement benefit obligation and the related pension assets. Net actuarial gain (loss) is amortized using the straight-line method over 10 years commencing from the next fiscal year of incurrence.

Retirement benefits to directors and corporate auditors are provided at the amount which would be required if all directors and corporate auditors retired at the balance sheet date.

l. Leases—In March 2007, the Accounting Standards Board of Japan ("ASBJ") issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

As a lessee

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the consolidated financial statements. The revised accounting standard requires that lessees should capitalize all finance lease transactions to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions. The Bank applied the revised accounting standard effective April 1, 2008. In addition, the Bank accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. The effect of this change on income was immaterial.

As a lessor

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if sold" information is disclosed in the note to the lessor's financial statements. The revised accounting standard requires that all finance leases that deem to transfer ownership of the leased property to the lessee should be recognized as lease receivables, and all finance leases that deem not to transfer ownership of the leased property to the lessee should be recognized as investments in lease. A consolidated subsidiary applied the revised accounting standard effective April 1, 2008.

As a result, lease receivables and investments in lease increased by ¥28,498 million ($290,118 thousand) and tangible fixed assets and intangible fixed assets decreased by ¥26,205 million ($266,779 thousand) and ¥2,582 million ($26,285 thousand), respectively compared with the corresponding amounts under the previous method. In addition, income before income taxes and minority interests decreased by ¥74 million ($754 thousand). The net leased property under finance leases which do not transfer ownership to the lessee and existed at March 31, 2008 was recorded as the beginning book value of the investments in lease at April 1, 2008.

m. Income Taxes—The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

n. Derivatives and Hedging Activities—It is the Bank's policy to use derivative financial instruments ("derivatives") primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives to meet the needs of its clients while entering into derivatives as a part of its trading activities. The Bank enters into interest rate swaps and interest rate caps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts and currency options to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies and to meet the needs of its clients. Furthermore, the Bank enters into interest rate futures, bond futures, bond future options and foreign exchange forward contracts for a short term as part of its trading activities.

Derivatives are recognized as either assets or liabilities and measured at fair value. Gains or losses on derivative transactions are recognized in the consolidated statements of income. If derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements are recognized and included in interest expenses or income.

o. Per Share Information—Basic net income per share is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

The basic net income available to common stockholders and weighted-average number of common shares used in the computation were ¥7,724 million ($78,631 thousand) and 379,351 thousand shares for 2009 and ¥12,321 million and 379,431 thousand shares for 2008, respectively.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock is not disclosed because there are no outstanding potentially dilutive securities.

Cash dividends per share presented in the consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

p. New Accounting Pronouncements

Asset Retirement Obligations—On March 31, 2008, the ASBJ published a new accounting standard for asset retirement obligations. Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

Financial Instrument Disclosures—On March 10, 2008, the ASBJ revised ASBJ Statement No. 10, "Accounting Standard for Financial Instruments," which was originally issued on January 22, 1999. The revision includes, among other things, expanded disclosures for all classes of financial instruments, requiring information about fair values and certain quantitative and qualitative information. In addition, the ASBJ issued ASBJ Guidance No. 19, "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" to provide guidance for the application of the disclosure requirements in the revised ASBJ Statement No. 10.

According to the revised accounting standard and the implementation guidance, a company shall disclose qualitative information about financial instruments, including policies and objectives for using financial instruments; nature, types and risks (e.g., credit risk, market risk, liquidity risk) of financial instruments; and risk management system (e.g., policies, procedures, divisions, risk mitigation techniques or measurement methods). In connection with market risk management, quantitative disclosures for market risk, including value-at-risk, sensitivity analysis, etc., are also required for companies which hold significant financial assets and liabilities that are essential in view of the business purposes and activities and are sensitive to market risk exposures.

In addition, a company shall disclose information about carrying amounts and fair values of financial instruments according to the account classifications in the balance sheet, together with methodologies and assumptions used to estimate such fair values. If it is extremely difficult to estimate and disclose the fair value of a financial instrument, information about the nature and carrying amount of the financial instrument and the reason why it is extremely difficult to estimate and disclose the fair value shall be disclosed.

The revised accounting standard and the implementation guidance are first effective for the annual financial statements for the fiscal year ending on or after March 31, 2010 with early adoption permitted at the beginning of that fiscal year.

One year deferral is permitted for the quantitative disclosures for market risk; a company can first adopt the disclosure provisions for the fiscal year ending on or after March 31, 2011.

3. Cash and Cash Equivalents

The reconciliation of cash and cash equivalents at the end of the fiscal year and cash and due from banks in the consolidated balance sheets as of March 31, 2009 and 2008 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Cash and due from banks	**¥315,510**	¥66,786	**$3,211,961**
Due from banks, excluding due from the Bank of Japan	**(2,421)**	(1,368)	**(24,650)**
Cash and cash equivalents at the end of year	**¥313,089**	¥65,417	**$3,187,311**

4. Trading Account Securities and Investment Securities

Trading account securities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
National government bonds	**¥ 1,723**	¥ 1,831	**$ 17,549**
Local government bonds	**1,760**	1,622	**17,918**
Other securities	**33,971**	29,980	**345,834**
Total	**¥37,455**	¥33,434	**$381,301**

Investment securities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
National government bonds	**¥ 773,130**	¥ 980,567	**$ 7,870,610**
Local government bonds	**90,114**	94,320	**917,383**
Corporate bonds	**545,478**	590,809	**5,553,074**
Equity securities	**88,420**	166,478	**900,134**
Other securities	**215,790**	236,441	**2,196,787**
Total	**¥1,712,933**	¥2,068,616	**$17,437,990**

The carrying amounts and aggregate fair values of securities at March 31, 2009 and 2008 were as follows:

Securities below include trading account securities, investment securities and other debt purchased:

	Millions of Yen			
	2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				**¥ 37,455**
Available-for-sale:				
Equity securities	**¥ 69,407**	**¥24,572**	**¥ 8,851**	**85,134**
Debt securities	**1,371,075**	**17,502**	**3,112**	**1,385,465**
Other securities	**259,674**	**661**	**44,796**	**215,539**
Held-to-maturity	**10,012**	**87**	**1**	**10,097**

	Millions of Yen			
	2008			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				¥ 33,434
Available-for-sale:				
Equity securities	¥ 82,838	¥81,808	¥ 912	163,734
Debt securities	1,637,826	22,245	17,873	1,642,197
Other securities	252,968	1,393	18,105	236,256
Held-to-maturity	9,110	71	1	9,179

	Thousands of U.S. Dollars			
	2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				**$ 381,301**
Available-for-sale:				
Equity securities	**$ 706,581**	**$250,150**	**$ 90,114**	**866,682**
Debt securities	**13,957,804**	**178,179**	**31,686**	**14,104,296**
Other securities	**2,643,537**	**6,730**	**456,032**	**2,194,235**
Held-to-maturity	**101,925**	**889**	**16**	**102,798**

Losses on impairment were recognized for above available-for-sale marketable securities in the amounts of ¥7,006 million ($71,330 thousand) and ¥937 million for the years ended March 31, 2009 and 2008, respectively.

Other securities whose fair value is available except for trading securities are necessarily written down to the fair value if the fair value has declined more than 50% of the acquisition cost. In addition, if the fair value is between 50% and 70% of the acquisition cost, those securities considered to be unrecoverable considering the declining ratio during the past certain period are written down to the fair value as losses on impairment.

Prior to April 1, 2008, floating-rate Japanese government bonds included in available-for-sale securities had been reported at the value based on the market price. However, effective the year ended March 31, 2009, in accordance with Practical Issues Task Force No. 25, "Practical Solution on Measurement of Fair Value for Financial Assets" issued by the ASBJ on October 28, 2008, these government bonds are reported at the value computed by the reasonable estimation when the Bank considered that the related market price do not reflect fair value. As a result, investment securities increased by ¥20,236 million ($206,008 thousand) and unrealized loss on available-for-sale securities and deferred tax assets decreased by ¥12,020 million ($122,368 thousand), and ¥8,215 million ($83,639 thousand) , respectively, compared with the corresponding amounts under the previous method. There was no effect on income. The value of floating-rate Japanese government bonds computed based on the reasonable estimation is determined by discounting the future cash flows estimated using the yields of government bonds and volatility of interest rate swaptions by the discount rates based on the corresponding yields. Yields of Japanese government bonds and volatility of interest rate swaptions are used as major price decision parameters.

Available-for-sale securities and held-to-maturity securities whose fair value is not readily determinable as of March 31, 2009 and 2008 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Available-for-sale:			
Equity securities	**¥ 3,285**	¥ 2,744	**$ 33,451**
Debt securities	**13,246**	14,388	**134,846**
Other securities	**250**	185	**2,552**
Held-to-maturity	**1,279**	2,276	**13,030**
Total	**¥18,062**	¥19,593	**$183,881**

Proceeds from sales of available-for-sale securities for the years ended March 31, 2009 and 2008 were ¥345,221 million ($3,514,420 thousand) and ¥87,917 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥20,464 million ($208,335 thousand) and ¥433 million ($4,410 thousand), respectively, for the year ended March 31, 2009 and ¥1,762 million and ¥1,324 million, respectively, for the year ended March 31, 2008.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale and held-to-maturity at March 31, 2009 are as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	Available for Sale	Held to Maturity	Available for Sale	Held to Maturity
Due in one year or less	¥ 141,752	¥ 2,787	$ 1,443,067	$ 28,377
Due after one year through five years	773,295	8,504	7,872,298	86,578
Due after five years through ten years	393,407		4,004,966	
Due after ten years	241,119		2,454,639	
Total	¥1,549,575	¥11,292	$15,774,973	$114,955

Unrealized gain (loss) on available-for-sale securities for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Valuation differences:			
Available-for-sale securities	**¥(14,024)**	¥68,555	**$(142,774)**
Available-for-sale held in trust	**(3,979)**	3,953	**(40,508)**
Deferred tax assets (liabilities)	**8,164**	(28,195)	**83,117**
Minority interests	**(9)**	(23)	**(94)**
Unrealized gain (loss) on available-for-sale securities	**¥ (9,848)**	¥44,289	**$(100,260)**

5. Money Held in Trust

The carrying amounts and aggregate fair values of money held in trust at March 31, 2009 and 2008 were as follows:

	Millions of Yen			
	2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money held in trust classified as:				
Trading				**¥19,852**
Available-for-sale	**¥22,135**		**¥3,979**	**18,156**
Total	**¥22,135**		**¥3,979**	**¥38,008**

	Millions of Yen			
	2008			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money held in trust classified as:				
Trading				¥20,287
Available-for-sale	¥19,635	¥3,953		23,588
Total	¥19,635	¥3,953		¥43,876

	Thousands of U.S. Dollars			
	2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money held in trust classified as:				
Trading				**$202,101**
Available-for-sale	**$225,342**		**$40,508**	**184,833**
Total	**$225,342**		**$40,508**	**$386,934**

Losses on impairment were recognized for marketable securities held in trust classified as available-for-sale in the amounts of ¥59 million ($609 thousand) and ¥412 million for the years ended March 31, 2009 and 2008, respectively.

Available-for-sale securities held in trust whose fair value is available are necessarily written down to the fair value if the fair value has declined more than 50% of the acquisition cost as losses on impairment. In addition, if the fair value is between 50% and 70% of the acquisition cost, those securities considered to be unrecoverable, considering the declining ratio during the past certain period, are written down to the fair value as losses on impairment.

6. Loans and Bills Discounted

Loans and bills discounted at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Bills discounted	**¥ 18,362**	¥ 24,465	**$ 186,933**
Loans on bills	**193,903**	216,900	**1,973,979**
Loans on deeds	**2,648,560**	2,424,859	**26,962,842**
Overdrafts	**520,953**	480,551	**5,303,404**
Total	**¥3,381,779**	¥3,146,776	**$34,427,159**

Bills discounted are accounted for as financial transactions in accordance with "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry" (the Japanese Institute of Certified Public Accountants Industry Audit Committee report No.24). The Bank has rights to sell or pledge these bills discounted. The total of the face value of bills discounted was ¥18,362 million ($186,933 thousand) and ¥24,465 million at March 31, 2009 and 2008, respectively.

Loans and bills discounted at March 31, 2009 and 2008 included the following loans:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Loans to borrowers in bankruptcy	¥ 6,447	¥ 6,377	$ 65,637
Past due loans	98,271	94,388	1,000,421
Past due loans (three months or more)	928	513	9,449
Restructured loans	26,231	37,020	267,046
Total	¥131,879	¥138,300	$1,342,555

Loans to borrowers in bankruptcy represent nonaccrual loans to debtors who are legally bankrupt, as defined in the Enforcement Ordinance for the Corporation Tax Law.

Past due loans are nonaccrual loans which include loans classified as "possible bankruptcy" and "virtual bankruptcy."

Nonaccrual loans are defined as loans (after the partial charge-off of claims deemed uncollectible) which the Bank has discontinued accruing interest income due to substantial doubt existing about the ultimate collection of principal and/or interest. Such loans are classified either as "possible bankruptcy" and "virtual bankruptcy" under the Bank's self-assessment guidelines.

In addition to past due loans as defined, certain other loans classified as "caution" under the Bank's self-assessment guidelines include past due loans (three months or more), which consist of loans which the principal and/or interest is three months or more past due, but exclude loans to borrowers in bankruptcy and past due loans.

Restructured loans are loans where the Bank and its subsidiaries relax lending conditions, by reducing the original interest rate or by forbearing interest payments or principal repayments to support the borrower's reorganization, but restructured loans exclude loans to borrowers in bankruptcy, past due loans or past due loans (three months or more).

7. Foreign Exchanges

Foreign exchange assets and liabilities at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Assets			
Foreign exchange bills bought	¥ 6	¥ 26	$ 68
Foreign exchange bills receivable	33	74	341
Due from foreign correspondent accounts	1,056	999	10,754
Total	¥1,096	¥1,100	$11,164
Liabilities			
Foreign exchange bills sold	¥ 24	¥ 63	$ 253
Foreign exchange bills payable	76	158	777
Total	¥101	¥222	$1,030

8. Tangible Fixed Assets

The accumulated depreciation of tangible fixed assets at March 31, 2009 and 2008 amounted to ¥75,095 million ($764,484 thousand) and ¥114,036 million, respectively.

As of March 31, 2009 and 2008, deferred gains for tax purposes of ¥7,870 million ($80,122 thousand) on tangible fixed assets sold and replaced with similar assets have been deducted from the cost of newly acquired tangible fixed assets.

9. Long-lived Assets

The Bank recognized impairment losses of ¥637 million ($6,489 thousand) on certain operating branches and on branches to be closed and unused facilities for the year ended March 31, 2009. The impairment losses comprised ¥133 million ($1,354 thousand) on buildings, ¥420 million ($4,276 thousand) on land and ¥83 million ($845 thousand) on other fixed assets, respectively. No significant impairment loss was recognized for the fiscal year ended March 31, 2008.

For the purpose of testing impairment, the Bank recognizes each individual branch office as a cash-generating unit for which it continues to manage and monitor identifiable cash flows. Branch offices to be closed and facilities not used in operation are individually assessed for impairment. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group.

The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition. The discounted cash flows were calculated using a discount rate of 3.6%, and the net selling price determined by quotation by a third-party vendor.

10. Customers' Liabilities for Acceptances and Guarantees

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees." "Customers' liabilities for acceptances and guarantees" are shown as contra assets, representing the Bank's right to receive indemnity from the applicants.

In accordance with the Cabinet Office Ordinance No. 38, "Customers' liabilities for acceptances and guarantees" and "Acceptances and guarantees" are offset.

The amount of guarantee obligations for privately-placed corporate bonds included in securities as of March 31, 2009 and 2008 was ¥13,246 million ($134,846 thousand) and ¥14,388 million, respectively.

11. Assets Pledged

Assets pledged as collateral and their relevant liabilities at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Assets pledged as collateral:			
Investment securities	¥151,498	¥126,221	$1,542,283
Other assets	141	142	1,441
Investments in lease	700		7,131
Relevant liabilities to above assets:			
Deposits	35,236	44,155	358,712
Call money	20,628		210,000
Payable under securities lending transactions	1,602	10,173	16,318
Borrowed money	441		4,489

Additionally, investment securities amounting to ¥136,464 million ($1,389,232 thousand) and ¥131,709 million are pledged as collateral for transactions such as exchange settlement transactions or as substitute securities for future transaction initial margin and others at March 31, 2009 and 2008, respectively.

Other assets include deposit for leased tangible fixed assets (lessee side) amounted to ¥94 million ($964 thousand) and ¥83 million at March 31, 2009 and 2008, respectively.

12. Loan Commitments

Contracts of overdraft facilities and loan commitments are contracts with customers to lend up to the prescribed limits in response to customers' application of loan, as long as there is no violation of any condition within the contracts. As of March 31, 2009, the unused amount of such contracts totals ¥1,444,354 million ($14,703,806 thousand) relating to these contracts, of which the amounts with the original agreement terms of less than one year were ¥1,420,539 million ($14,461,356 thousand).

Since many of commitments expire without being drawn upon, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that the Companies can refuse customers' application of loan or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of contracts, the Companies obtain collateral real estate, securities, etc. if considered to be necessary. Subsequently, the Companies perform periodic review of the customers' business results based on internal rules and take necessary measures to reconsider conditions in contracts and require additional collateral and guarantees.

13. Deposits

Deposits at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Current deposits	**¥ 159,418**	¥ 135,122	**$ 1,622,906**
Ordinary deposits	**2,354,191**	2,308,736	**23,966,113**
Deposits at notice	**15,289**	22,659	**155,651**
Time deposits	**2,110,272**	2,073,885	**21,482,973**
Negotiable certificates of deposit	**264,840**	303,520	**2,696,121**
Other deposits	**222,485**	225,451	**2,264,944**
Total	**¥5,126,497**	¥5,069,375	**$52,188,711**

14. Borrowed Money

Borrowed money as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Borrowings from banks and other	**¥15,193**	¥15,824	**$154,669**
Payable under securitized future lease receivables		640	
Total	**¥15,193**	¥16,464	**$154,669**

Annual maturities of borrowed money as of March 31, 2009 were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2010	**¥ 9,077**	**$ 92,414**
2011	**2,501**	**25,465**
2012	**1,985**	**20,216**
2013	**1,169**	**11,906**
2014	**372**	**3,789**
2015 and thereafter	**86**	**877**
Total	**¥15,193**	**$154,669**

At March 31, 2009 and 2008, the weighted average annual interest rates applicable to borrowed money were 1.396% and 1.413%, respectively.

At March 31, 2009, investments in lease amounting to ¥13,792 million ($140,413 thousand) are placed under quasi pledge arrangement for borrowings from banks and other amounting to ¥11,494 million ($117,011 thousand).

At March 31, 2008, future lease receivables, which were off-balance-sheet items under the previous accounting standard for lease transactions, amounting to ¥1,292 million were pledged for borrowings from banks and other amounting to ¥871 million.

Also, another future lease receivables amounting to ¥14,308 million were placed under quasi pledge arrangement for borrowings from banks and other amounting to ¥11,924 million at March 31, 2008.

15. Liability for Retirement Benefits

The Companies have severance payment plans for employees, directors and corporate auditors.

Under most circumstances, employees terminating their employment are entitled to retirement benefits based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Companies and annuity payments from trustees. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

The liabilities for retirement benefits for directors and corporate auditors at March 31, 2009 and 2008 were ¥945 million ($9,628 thousand) and ¥1,255 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of the stockholders.

The liability (asset) for employees' retirement benefits at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Projected benefit obligation	**¥98,748**	¥97,618	**$1,005,280**
Fair value of plan assets	**(33,599)**	(41,032)	**(342,047)**
Unrecognized net actuarial loss	**(23,056)**	(16,506)	**(234,715)**
Net liability	**¥42,093**	¥40,079	**$ 428,516**

The components of net periodic retirement benefit costs for the years ended March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Service cost	**¥2,005**	¥2,040	**$20,417**
Interest cost	**1,943**	1,928	**19,786**
Expected return on plan assets	**(1,436)**	(1,624)	**(14,620)**
Recognized actuarial loss	**2,870**	2,143	**29,222**
Net periodic retirement benefit costs	**¥5,383**	¥4,487	**$54,806**

Assumptions used for the years ended March 31, 2009 and 2008 were set forth as follows:

	2009	2008
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**3.5%**	3.5%
Recognition period of actuarial gain/loss	**Ten years**	Ten years

16. Equity

Since May 1, 2006, Japanese banks have been subject to the Banking Law and to the Companies Act.

The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the stockholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Bank meets all the above criteria. The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to stockholders subject to a certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Bank can do so because it stipulates this in its articles of incorporation. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the stockholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Banking Law which was amended on November 2, 2005 and effective on May 1, 2006 requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 100% of stated capital.

Under the Companies Act and the Banking Law, the aggregate amount of additional paid-in capital and legal reserve that exceeds 100% of the stated capital may be made available for dividends by resolution of the stockholders after transferring such excess to the retained earnings in accordance with the Companies Act. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that stated capital, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the stockholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the stockholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

17. Other Operating Income

Other operating income for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Gain on sales and redemption of bonds and other securities	¥ 7,896	¥ 1,129	$ 80,385
Lease receipt	11,643	12,532	118,536
Other	5,111	5,275	52,036
Total	¥24,651	¥18,936	$250,958

18. Other Income

Other income for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Gains on sales of stocks and other securities	¥12,924	¥1,038	$131,571
Gains on sales of money held in trust	1,454	1,339	14,802
Gains on sales of tangible fixed assets	14	18	151
Other	841	1,164	8,564
Total	¥15,234	¥3,560	$155,089

19. Other Operating Expenses

Other operating expenses for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Losses on sales, redemption and devaluation of bonds and other securities	¥15,524	¥ 1,956	$158,047
Lease cost	11,145	12,021	113,466
Other	3,245	3,391	33,036
Total	¥29,916	¥17,369	$304,551

20. Other Expenses

Other expenses for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Losses on devaluation of stocks and other securities	¥2,470	¥ 656	$25,152
Bad debt losses	243	106	2,481
Losses on dispositions of money held in trust	423	79	4,312
Losses on sales of loans	4,752	4,940	48,378
Losses on impairment and disposal of fixed assets	731	275	7,445
Provision for reserve for reimbursement of deposits	62	55	640
Provision for reserve for contingent losses	367	193	3,738
Other	4	660	42
Total	¥9,056	¥6,974	$92,192

21. Income Taxes

The Companies are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.6% for the years ended March 31, 2009 and 2008.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Deferred tax assets:			
Reserve for possible loan losses	¥20,772	¥17,830	$211,470
Liability for retirement benefits	17,400	16,713	177,138
Fixed assets (depreciation)	8,380	8,917	85,311
Unrealized loss on available-for-sale securities	8,164		83,117
Losses on devaluation of stocks and other securities	2,702	2,632	27,516
Other	5,887	5,591	59,933
Less valuation allowance	(3,636)	(3,572)	(37,018)
Total	59,671	48,112	607,468
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities		28,195	
Fixed assets (deferral gain on sales and replacement)	583	602	5,935
Total	583	28,797	5,935
Net deferred tax assets	¥59,088	¥19,314	$601,533

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the year ended March 31, 2009 and 2008 was as follows:

	2009	2008
Normal effective statutory tax rate	40.6%	40.6%
Expenses not deductible for income tax purposes	1.0	0.7
Non-taxable dividend income	(6.4)	(3.1)
Inhabitants taxes	0.5	0.3
Special corporate tax credit	(0.1)	(1.7)
Other—net	1.0	0.4
Actual effective tax rate	36.6%	37.2%

22. Leases

As discussed in Note 2.l, the Companies applied the revised accounting standard for lease transactions effective April 1, 2008.

Finance Leases

a. Lessee

The Companies lease certain machinery, computer equipment and other assets.

The Companies account for finance leases that existed at April 1, 2008 and do not transfer ownership of the leased property to the lessee as operating lease transactions as permitted by the revised accounting standard.

Total lease payments under finance leases for the years ended March 31, 2009 and 2008 were ¥1,565 million ($15,932 thousand) and ¥1,555 million, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense and interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2009 and 2008 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Equipment and Other Assets		Equipment and Other Assets
	2009	2008	2009
Acquisition cost	¥7,928	¥7,928	$80,713
Accumulated depreciation	(4,007)	(2,578)	(40,800)
Net leased property	¥3,920	¥5,350	$39,912

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due within one year	¥1,443	¥1,398	$14,699
Due after one year	2,654	4,098	27,024
Total	¥4,098	¥5,497	$41,723

Depreciation expense and interest expense under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Depreciation expense	¥1,429	¥1,420	$14,555
Interest expense	163	206	1,662
Total	¥1,593	¥1,626	$16,218

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statements of income, are computed by the straight-line method and the interest method, respectively.

b. Lessor

A subsidiary leases certain equipment and other assets to various customers.

The net investments in lease at March 31, 2009 are summarized as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2009	2009
Gross lease receivables	¥31,033	$315,926
Estimated residual values	1,924	19,593
Unearned interest income	(4,480)	(45,609)
Investments in lease	¥28,477	$289,910

Maturities of gross lease receivables for finance leases that deem to transfer ownership of the leased property to the lessee are as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2010	¥ 5	$ 54
2011	5	54
2012	5	54
2013	5	54
2014		
2015 and thereafter		
Total	¥21	$218

Maturities of investment in lease for finance leases that deem not to transfer ownership of the leased property to the lessee are as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2010	¥ 9,902	$100,806
2011	7,787	79,276
2012	5,847	59,533
2013	3,870	39,407
2014	1,968	20,037
2015 and thereafter	1,656	16,865
Total	¥31,033	$315,926

The net leased property under finance leases which do not transfer ownership to the lessee and existed at March 31, 2008 was recorded as the beginning book value of the investments in lease at April 1, 2008. Interest income equivalents on such leases are allocated to the remaining lease period by the straight-line method.

As a result, income before income taxes and minority interests decreased by ¥1,145 million ($11,659 thousand) compared with the case where the revised accounting standard had been retroactively applied to the commencement date of such leases.

Total lease receipt under finance leases for the year ended March 31, 2008 was ¥11,975 million.

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased property at March 31, 2008 for finance lease transactions:

	Millions of Yen
	Equipment and Other Assets
Acquisition cost	¥ 75,270
Accumulated depreciation	(44,849)
Net leased property	¥ 30,421

Future lease payments receivables under finance leases:

	Millions of Yen
Receivables:	
Due within one year	¥ 9,464
Due after one year	21,722
Total	¥ 31,186

Depreciation expense and interest income under finance leases for the year ended March 31, 2008:

	Millions of Yen
Depreciation expense	¥10,399
Interest income	1,474

The imputed interest income portion which is computed using the interest method is excluded from receivable under finance leases.

Operating Leases
As of March 31, 2009 and 2008, future lease payment receivables including interest receivables under non-cancelable operating leases were as follows:
Future Lease Payment Receivables

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Due within one year	**¥ 5**	¥ 77	**$ 54**
Due after one year	**19**	73	**202**
Total	**¥25**	¥150	**$256**

23. Derivatives

It is the Bank's policy to use derivatives primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives to meet the needs of its clients while entering into derivatives as a part of its trading activities.

The Bank enters into interest rate swaps, interest rate swaptions, bond futures and bond future options as a means of hedging its interest rate risk on certain loans, deposits and investment securities while entering into interest rate swaps and caps, foreign exchange forward contracts, currency swap and currency options to meet the needs of its clients.

The Bank also enters into foreign exchange forward contracts and currency options to hedge foreign exchange risk associated with its assets and liabilities denominated in foreign currencies and to meet the needs of its clients.

Furthermore, the Bank enters into bond futures, bond future options and foreign exchange forward contracts for a short term as part of its trading activities.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations of market conditions, including interest or foreign exchange rates. Credit risk is the possibility that a loss may result from a counterparty's failure to perform its obligations under a contract.

The Bank sets limits to credit risk by limiting the counterparties to those derivatives to major financial institutions and securities companies, and establishing maximum risk exposures to the counterparties.

The Bank has established a standard of risk management including management approaches to each type of risks. Derivative transactions entered into by the Bank have been made in accordance with internal policies which regulate trading activities and credit risk management including maximum risk exposures and loss-cutting rules. Concerning risk management associated with derivative transactions, the front and back offices of the trading divisions are clearly separated, and risk managers are assigned to the trading divisions, while the Risk Management Division synthetically manages the Bank's market risks. In this manner, an internal control system is effectively secured.

The Bank's positions, gain-and-loss, risk amount and other conditions are periodically reported to the executive committee.

The Bank has the following derivatives contracts outstanding at March 31, 2009 and 2008:

	Millions of Yen						Thousands of U.S. Dollars		
	2009			2008			**2009**		
	Contract or Notional Amount	Fair Value	Unrealized Gain/Loss	Contract or Notional Amount	Fair Value	Unrealized Gain/Loss	Contract or Notional Amount	Fair Value	Unrealized Gain/Loss
Interest rate-related transaction:									
Interest rate swaps:									
Floating rate receipt, fixed rate payment	**¥14,903**	**¥ (113)**	**¥(113)**	¥12,210	¥ (55)	¥ (55)	**$151,723**	**$ (1,158)**	**$(1,158)**
Floating rate payment, fixed rate receipt	**5,260**	**61**	**61**	3,560	40	40	**53,547**	**623**	**623**
Interest rate swaptions:									
Selling	**7,010**	**(14)**	**(14)**	2,900	(10)	(10)	**71,363**	**(149)**	**(149)**
Buying	**7,010**	**14**	**14**	2,900	10	10	**71,363**	**149**	**149**
Others:									
Selling	**306**		**5**	389	(1)	7	**3,123**	**(4)**	**59**
Buying	**306**		**(2)**	389	1	(2)	**3,123**	**4**	**(26)**
Currency-related transaction:									
Currency swaps	**46,091**	**103**	**103**	40,548	95	95	**469,221**	**1,057**	**1,057**
Foreign exchange forward contracts:									
Selling	**17,078**	**(475)**	**(475)**	10,570	370	370	**173,861**	**(4,838)**	**(4,838)**
Buying	**2,331**	**(12)**	**(12)**	2,642	(41)	(41)	**23,738**	**(130)**	**(130)**
Currency option:									
Selling	**14,450**	**(1,418)**	**(37)**	12,155	(1,055)	(13)	**147,107**	**(14,444)**	**(384)**
Buying	**14,450**	**1,418**	**291**	12,155	1,055	210	**147,107**	**14,444**	**2,963**

Unrealized gains (losses) for the years ended March 31, 2009 and 2008 were recognized in the consolidated statements of income.

Derivatives which qualify for hedge accounting for the years ended March 31, 2009 and 2008 were not included in the above table.

The contracts or notional amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Bank's exposure to credit or market risk.

24. Related Party Transactions

Effective the year ended March 31, 2009, the Bank adopted ASBJ Statement No.11, "Accounting Standard for Related Party Disclosures" and ASBJ Guidance No.13, "Guidance on Accounting Standard for Related Party Disclosures" issued by the ASBJ on October 17, 2006. In accordance with this accounting standard, transactions between consolidated subsidiaries and related parties are disclosed in addition to the previous scope of disclosures of related party transactions.

Related party transactions for the years ended March 31, 2009 and 2008 were as follows:

a. Transactions between the Bank and Its Related Parties

		Transactions for the Year*6			Balance at End of Year		
		Millions of Yen		Thousands of U.S. Dollars	Millions of Yen		Thousands of U.S. Dollars
Related Party	Account Classification *5	2009	2008	2009	2009	2008	2009
Department Store Fujisaki Co., Ltd. *1	Loans and bills discounted	¥3,844	¥4,536	$39,134	¥4,485	¥4,385	$45,666
	Investment securities	381	442	3,887	350	450	3,563
	Customers' liabilities for acceptances and guarantees	83		853	100		1,018
Fuji Styling Co., Ltd. *1	Loans and bills discounted	322	341	3,282	315	330	3,206
Fujisaki Agency Co., Ltd. *1	Customers' liabilities for acceptances and guarantees	387	288	3,949	400	300	4,072
Ikijariten Co., Ltd. *1, *2	Loans and bills discounted	239	206	2,435	229	224	2,340
	Customers' liabilities for acceptances and guarantees	70	70	712	70	70	712
Medical Corp. Shoukeikai *1	Loans and bills discounted	32	36	326	29	34	303
Sendai Chamber of Commerce *3	Loans and bills discounted	12	18	122	12	12	122
HIGASHI NIHONKOGYOH CO., LTD. *4	Loans and bills discounted		3,169			3,133	

*Notes: *1 Company whose voting rights are majority owned by a director or his close relatives (including subsidiaries of such company).*
**2 A director related with Ikijariten Co., Ltd. retired from its office as a director of the Bank on June 27, 2008 and accordingly, above transactions for the year ended March 31, 2009 and outstanding balance of transactions as of that date represent the amounts for the period until June 27, 2008 and as of that date, respectively.*
**3 Sendai Chamber of Commerce of which a director of the Bank, Mr. Chugo Marumori, serves as chairman. Since he retired from its office of the Bank on June 27, 2008, above transactions for the year ended March 31, 2009 and outstanding balance of transactions as of that date represent the amounts for the period until June 27, 2008 and as of that date, respectively.*
**4 HIGASHI NIHONKOGYOH CO., LTD. of which a corporate auditor of the Bank, Mr. Yuzuru Aoki, serves as chairman. Since he retired from its office of the Bank on June 28, 2007, above transactions for the year ended March 31, 2008 and outstanding balance of transactions as of that date represent the amounts for the period until June 28, 2007 and as of that date, respectively.*
**5 Terms are substantially the same as for similar transactions with third parties.*
**6 Amounts of transactions were reported at the average balance for the period.*

b. Transactions between a consolidated subsidiary and its related party

		Transactions for the Year		Balance at End of Year	
		Millions of Yen	Thousands of U.S. Dollars	Millions of Yen	Thousands of U.S. Dollars
Related Party	Account Classification *2	2009	2009	2009	2009
Department Store Fujisaki Co., Ltd. *1	Fees and commissions	¥21	$213		

*Notes: *1 Company whose voting rights are majority owned by a director or his close relatives (including subsidiaries of such company).*
**2 Terms are substantially the same as for similar transactions with third parties.*

25. Segment Information

(1) Business Segment Information

Information about operations in different business segments of the Companies for the years ended March 31, 2009 and 2008 was as follows:

a. Ordinary Income (Loss)

	Millions of Yen					
	2009					
	Banking Operations	Lease Operations	Other Operations	Total	Eliminations	Consolidated
Income from customers	¥129,811	¥15,033	¥3,423	¥148,268		¥148,268
Intersegment income	581	1,145	1,556	3,283	¥(3,283)	
Total income	130,393	16,178	4,980	151,552	(3,283)	148,268
Ordinary expenses	117,621	16,208	5,278	139,108	(3,218)	135,889
Ordinary income (loss)	¥ 12,772	¥ (30)	¥ (298)	¥ 12,443	¥ (65)	¥ 12,378

b. Assets, Depreciation, Impairment Loss and Capital Expenditures

	Millions of Yen					
	2009					
	Banking Operations	Lease Operations	Other Operations	Total	Eliminations	Consolidated
Assets	¥5,609,375	¥37,390	¥21,583	¥5,668,349	¥(24,096)	¥5,644,253
Depreciation	4,241	166	45	4,452	(4)	4,448
Impairment loss	637			637		637
Capital expenditures	3,612	84	16	3,714	(20)	3,693

a. Ordinary Income (Loss)

	Thousands of U.S. Dollars					
	2009					
	Banking Operations	Lease Operations	Other Operations	Total	Eliminations	Consolidated
Income from customers	$1,321,508	$153,044	$34,848	$1,509,402		$1,509,402
Intersegment income	5,924	11,657	15,849	33,430	$(33,430)	
Total income	1,327,432	164,702	50,698	1,542,833	(33,430)	1,509,402
Ordinary expenses	1,197,410	165,008	53,733	1,416,152	(32,767)	1,383,384
Ordinary income (loss)	$ 130,021	$ (306)	$ (3,034)	$ 126,680	$ (663)	$ 126,017

b. Assets, Depreciation, Impairment Loss and Capital Expenditures

	Thousands of U.S. Dollars					
	2009					
	Banking Operations	Lease Operations	Other Operations	Total	Eliminations	Consolidated
Assets	$57,104,504	$380,641	$219,725	$57,704,871	$(245,303)	$57,459,567
Depreciation	43,177	1,690	461	45,328	(42)	45,286
Impairment loss	6,489			6,489		6,489
Capital expenditures	36,781	860	171	37,812	(213)	37,599

a. Ordinary Income

	Millions of Yen					
	2008					
	Banking Operations	Lease Operations	Other Operations	Total	Eliminations	Consolidated
Income from customers	¥114,822	¥16,181	¥3,612	¥134,616		¥134,616
Intersegment income	581	1,648	1,574	3,804	¥(3,804)	
Total income	115,404	17,829	5,186	138,421	(3,804)	134,616
Ordinary expenses	95,532	17,826	4,899	118,258	(3,787)	114,470
Ordinary income	¥ 19,872	¥ 3	¥ 287	¥ 20,162	¥ (17)	¥ 20,145

b. Assets, Depreciation, Impairment Loss and Capital Expenditures

	Millions of Yen					
	2008					
	Banking Operations	Lease Operations	Other Operations	Total	Eliminations	Consolidated
Assets	¥5,623,738	¥40,302	¥21,703	¥5,685,743	¥(26,529)	¥5,659,213
Depreciation	3,683	11,211	22	14,917		14,917
Impairment loss	82			82		82
Capital expenditures	3,125	13,567	4	16,696	(18)	16,677

Notes: 1. Other operations consist of credit card transactions and others.
2. Ordinary income (loss) represents total income less certain special income included in other income in the accompanying consolidated statements of income.
3. Ordinary expenses represent total expenses less certain special expenses included in other expenses in the accompanying consolidated statements of income.

(2) Geographic Segment Information

Segment information by geographic area was not presented because the Companies conduct banking and other related activities in Japan without having foreign subsidiaries or foreign branches.

(3) Ordinary Income from International Operations

As the ordinary income from international operations was not significant compared to the consolidated income, the information about the ordinary income from international operations was not presented.